Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 FRB-02 H-03

INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01

AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 PRS-01

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O R 081420Z APR 74 FM AMEMBASSY ROME TO SECSTATE WASHDC IMMEDIATE 4173 INFO USMISSION EC BRUSSELS USUN NEW YORK IMMEDIATE 1996

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E.O. 11652: N/A

TAGS: EAGR, ETRD, GATT, EEC, IT

SUBJECT: GATT ARTICLE XXIV:6 - CITRUS AND TOBACCO

REF: A) ROME 4833; B) ROME 4838

- 1. ECON/COMM MINISTER TALKED WITH DI CHIO, DIRGEN, AGMINISTRY, APRIL 8 AS ENVISAGED REF A.
- 2. DI CHIO TOLD ECMIN THAT HE HAD NO READINGS FROM PARIS AS TO WHETHER CITRUS HAD BEEN MENTIONED DURING VARIOUS DISCUSSIONS THERE. ECMIN TOLD DICHIO THAT HE TOO WAS WITHOUT INFORMATION.
- 3. DICHIO SAID THAT HE BELIEVES THE TIMING PROBLEM IS INSUPERABLE. SUNKIST'S WRITTEN PROPOSAL WOULD REQUIRE CONSIDERABLE WORK TO BE USEFUL. AGMIN STILL CAN FIND NO PRIVATE ORGANIZATIONS WITH WHICH SUNKSIT COULD PROFITABLY DEAL ON A POLITICAL BASIS AND DISCUSSIONS LIMITED OFFICIAL USE

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WITH REGIONAL GOVERNMENTS OF SICILY AND CALABRIA ARE RISKY IN THE

SENSE THAT REGIONAL GOVERNMENTS MIGHT COME DOWN AGAINST SUNKIST MAKING POLITICAL ELEMENT EVEN MORE TROUBLESOME FOR THE PRIME MINISTER.

- 4. DICHIO SAID HE HAD ONE LAST IDEA THAT HE WANTED TO TRY OUT. IF THE AMBASSADOR COULD GIVE TO THE PRIME MINISTER A STATEMENT OR DECLARATION MADE WITHE THE APPROVAL OF HIS GOVERNMENT TO THE EFFECT THAT THE US GOVERNMENT WILL DO ALL IT CAN TO FACILITATE TIES BETWEEN AMERICAN AND ITALIAN CITURS INDUSTRIES, IT WOULD BE MUCH EASIER FOR THE PRIME MINISTER TO MAKE THE POLITICAL DECISION TO ACCEPT AN APRIL 1 DATE. THE STATEMENT WOULD NOT NEED TO BE CONTRACTUAL OR LEGALLY BINDING, BUT SHOULD LEND ITSELF TO INTERPRETATION AS A GESTURE OF US GOVERNMENT GOODWILL.
- 5. ECMIN TOLD DICHIO THAT HE SAW TWO DIFFICULTIES WITH THIS APPROACH: ONE OF TIMING AND THE OTHER OF SUBSTANCE; AND THAT HE WOULD HAVE TO FIND OUT IF SUCH AN APPROACH MIGHT BE FEASIBLE.
- 6. ECMIN ALSO ASKED WHETHER IN VIEW OF THE FOREGOING, DICHIO THOUGHT IT WOULD SERVE A USEFUL PURPOSE FOR SUNKIST REPS TO REMAIN IN ROME. DICHIO SIAD HE THOUGHT NOT. WE HAVE DISCUSSED WITH SUNKIST AND THEY ARE TENTATIVELY PLANNING TO DEPART 1230 LOCAL APRIL 9. THEY ARE GIVING US A STATEMENT OF WHAT THEY CONSIDER TO BE THEIR OBLIGATIONS UNDER THEIR PROPOSAL.
- 7. TURNING TO TOBACCO DICHIO SAID THAT ITALY IS NOT TTOUBLED BY THE PROSPECT OF IMPROVED ACCESS FOR THE US PRODUCT. THE ESSENTIAL ELEMENT FOR ITALY IS MAINTENANCE OF THE PRESENT LEVELS OF RESTITUTION PAYMENTS WHICH ARE LINKED TO THE DUTY LEVEL. IF THE RESTITUTION PAYMENTS COULD BE MAINTAINED, ITALY WOULD NOT OBJECT TO A REDUCTION IN THE DUTY. DICHIO COMMENTED THAT THE US HAS BEEN EXERTING GREAT EFFORTS IN EUROPEAN CAPITALS AND SUGGESTED THAT WE TRY APPLYING SOME PRESSURE TO THE COMMISSION ON THIS ISSUE. ECMIN TOLD DICHIO THAT IT IS DIFFICULT AS A MATTER OF PRINCIPLE FOR THE US TO INVOLVE ITSELF IN ISSUES BETWEEN THE COMMISSION AND THE MEMBER GOVERNMENTS, BUT ATH HE WOULD TAKE DICHIO'S VIEWS UNDER ADVISEMENT.
- 8. WE ARE UNABLE TO JUDGE FEASIBILITY OF PROPOSAL FOR A FORMAL GOVERNMENT DECLARATION SUGGESTED IN PARA 4. IT MAY OFFER THE LIMITED OFFICIAL USE

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ONLY MEANS OUT OF THE CURRENT IMPASSE ON THE ASSUMPTION THAT CITRUS IS OR WILL BE THE ULTIMATE OBSTACLE TO TESOLUTION OF THE XXIV:6 PROBLEM. REQUEST GUIDANCE URGENTLY.VOLPE

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Message Attributes

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